

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	2500 AHA AINA
Project Address	2500 Aha Aina Place Honolulu, Hawaii 96821
Registration Number	6619 (Partial Conversion)
Effective Date of Report	June 16, 2008
Developer(s)	Arthur T. Kamisugi and M. Libbie Kamisugi

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or commended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.

2. This Project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each Apartment as shown on the Condominium Map is designated as a limited common element and does not represent a legally subdivided lot. The dotted lines on the Condominium Map merely represent the approximate location of the limited common element assigned to each Apartment.

3. Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

4. Unit A is a residential structure with basement. Unit B is a "spatial unit" consisting initially as a cube of air space that is 69' in length x 30' in width x 25' in height, as described in the Declaration of Condominium Property Regime of 2500 Aha Aina, and which unit may be expanded to include improvements to be constructed later at purchaser's expense. The spatial unit does not consist of any actual physical structure within the Project at this time.

5. The purchaser of Unit A is required, at purchaser's expense, to construct a driveway for Unit A within the Unit A limited common area within one (1) year from the date of purchase of Unit A as provided in the Declaration.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW ALL DOCUMENTS REGARDING THIS CONDOMINIUM PROJECT FOR FURTHER INFORMATION WITH REGARDING TO THE FOREGOING

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	Arthur T. Kamisugi and Marion L. Kamisugi, Trustees of the Arthur T. Kamisugi Revocable Living Trust dated 9/20/07 and the Marion L. Kamisugi Revocable Living Trust dated 9/20/07	
Address of Project	2500 Aha Aina Place, Honolulu, Hawaii 96821	
Address of Project is expected to change because	N/A	
Tax Map Key (TMK)	(1) 3-5-064-050	
Tax Map Key is expected to change because	Each unit will receive separate designated tax map key number	
Land Area	Approximately 171,278 square feet	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)		

1.2 Buildings and Other Improvements

Number of Buildings	1
Floors Per Building	Unit A - 1; Unit B is a spatial unit (not yet built)
Number of New Building(s)	0
Number of Converted Building(s)	1
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Unit A is constructed principally of wood, concrete, glass and allied building materials.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
A	1	7/7-1/2	7,836.5793 sf	3,153.4 sf	Lanai Area	13,262.699
				926.91 sf	Storage Area	
				1,159.41 sf	Garage Area	
				186.4 sf	Pump Room	
B	1	0/0	0	69' x 30' x 25'	Spatial Unit	2,070 sf
				Spatial Unit		floor area
See Exhibit A.						

2	Total Number of Units
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Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stalls in the Project:	Unit A: 5; Unit B: 2
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	Unit A: 5; Unit B: 2
Attach Exhibit <u>A</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit A attached.
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1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
Each Unit Owner may construct and/or alter the structure and any other improvements located within their Unit's limited common element land area as provided in Sections VII and XV of the Declaration of Condominium Property Regime.

1.7 Common Interest

<u>Common Interest</u> : Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit _____.
As follows: Unit A: 50% Unit B: 50%

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.	
Described in Exhibit <u>B</u> .	
Described as follows:	
Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.
Described in Exhibit <u>B</u> .
Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.	
<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input type="checkbox"/>	Other:
<input checked="" type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).	
Exhibit <u>C</u> describes the encumbrances against title contained in the title report described below.	
Date of the title report: April 29, 2008	
Company that issued the title report: Title Guaranty of Hawaii, Inc.	

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning						
	Type of Use	No. of Units	Use Permitted by Zoning			Zoning
<input checked="" type="checkbox"/>	Residential	1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		R-7.5
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input checked="" type="checkbox"/>	Other(specify) <u>Spatial</u>	1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		R-7.5
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Describe any variances that have been granted to zoning code.						

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots	
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>	

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p>
--

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable</p> <p><input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>See Exhibit F attached.</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>See Exhibit F attached.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</p>	

<p>Verified Statement from a County Official</p> <p>Regarding any converted structures in the project, attached as Exhibit <u>G</u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p>

1.16 Project In Agricultural District

Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation.	
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.	
The nature and the scope of services to be provided.	
Additional costs, directly attributable to the services, to be included in the association's common expenses.	
The duration of the provision of the services.	
Other possible impacts on the project resulting from the provision of the services.	
Other disclosures and information.	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Arthur T. Kamisugi & M. Libbie Kamisugi Business Address: 2500 Aha Aina Place, Hon., HI 96821 Business Phone Number: E-mail Address:
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	
2.2 Real Estate Broker	Name: None selected; see page 18. Business Address: Business Phone Number: E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, Hon., HI 96813 Business Phone Number: 521-0211
2.4 General Contractor	Name: N/A Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Self-managed by the Association Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: James A. Stubenberg, Esq. Business Address: 841 Bishop St., #702 Honolulu, HI 96813 Business Phone Number: 526-0892

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	March 27, 2008	2008-059747

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	June 4, 2008	2008-091597

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	March 28, 2008	2008-059748

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4616
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>
Have Been Adopted and Date of Adoption	<input type="checkbox"/>
Developer does not plan to adopt House Rules	<input checked="" type="checkbox"/>

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	100%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p>Developer has reserved the right to file an amendment as provided for in Section XVI of the Declaration of Condominium Property Regime.</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.	
The Initial Condominium Managing Agent for this project is (check one):	
<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.
Exhibit H contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>D</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: March 27, 2008 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>E</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.
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<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.	
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<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Purchaser's interest may be terminated, in which event Purchaser will be entitled to a refund of deposit less an escrow cancellation.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:	
Building and Other Improvements: None. There are no warranties, express or implied, being made by Developer. Sales are "as is".	
Appliances: None. There are no warranties, express or implied. Sales are "as is".	

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Unit A was completed in 1988. Unit B is a spatial unit which does not consist of any actual physical structure. The purchaser of Unit B will have the right to build an actual structure within Unit B and its **
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

**limited common element area.

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

Box A <input type="checkbox"/>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
Box B <input type="checkbox"/>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other:

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. NOT A SUBDIVISION. This is a condominium project which should not be confused with a subdivision. A purchaser of a Unit will be conveyed a Unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or area, but is NOT a separate, legally subdivided lot.

2. MAINTENANCE FEES. Developer believes that there will be no maintenance fees. All costs pertaining to each Unit and its respective common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective Unit owner. All utilities are separately metered. Based on the foregoing, there is no schedule of maintenance fees to this Public Report.

3. INSURANCE. Section 514B-143, Hawaii Revised Statutes, requires the Association of Unit Owners to purchase fire insurance to cover the improvements of the Project, and that the premiums for the insurance be common expenses. Developer anticipates that the Association will elect to permit individual Unit owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual Unit owners and not common expenses. Prospective purchasers should consult with their own insurance professionals to obtain an estimate for individual fire and hazard insurance.

4. RESERVES. Developer discloses that no "reserve study" was done in accordance with Section 514B-148, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

5. DISCLOSURE RE: NON-SELECTION OF REAL ESTATE BROKER. As of the effective date of this Public Report, Developer has not executed a listing agreement for the sale of this Condominium Project with a duly licensed Hawaii real estate broker. Thus, the Developer cannot offer to sell or sell any units in this registered Condominium Project until: (1) the Developer executes a listing agreement for the sale of this Condominium Project, (2) amends this Public Report to reflect the new information, and (3) delivers this Public Report and amendment or amendments to the prospective Purchaser.



The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Arthur T. Kamisugi and M. Libbie Kamisugi

Printed Name of Developer

By: <u></u>	<u>May 6, 2008</u>
Duly Authorized Signatory	Date
By: <u></u>	<u>May 6, 2008</u>
Duly Authorized Signatory*	Date

Arthur T. Kamisugi and M. Libbie Kamisugi

Printed Name & Title of Person(s) Signing Above

Distribution:

Department of Financing, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT A

DESCRIPTION OF UNITS

The Project is divided into the following two (2) freehold estates:

a. Unit A. Unit A consists of one freehold estate consisting of one (1) three-story residential structure with basement. The basement level consists of a pump room and a changing room. The lower level consists of five (5) bedrooms, five (5) bathrooms, game room, family room, bar, wine cellar, laundry areas, storage areas, pool equipment room, pool, sauna and lanai areas. The main level consists of two (2) bedrooms, two and one-half (2½) bathrooms, kitchen, dining room, breakfast nook, living room, den, study, home theater, control room, pantry, lanai areas, storage area, and garage. The Crow's Nest Level consists of a crow's nest.

The net living area of this unit is approximately 7,663.0793 square feet, the lanai area is approximately 3,153.4 square feet, pump room area is approximately 358.75 square feet, the storage area is approximately 926.91 square feet, and the garage area is approximately 1,159.41 square feet.

The unit is constructed principally of wood, concrete, glass windows, and other building materials. The land area surrounding Unit A as delineated and described in the Condominium Map is a limited common element for Unit A and is for the exclusive use of Unit A.

The purchaser of Unit A shall be required, at such purchaser's expense, to construct a driveway for Unit A within the Unit A limited common area and connecting to Ahaana Way, a public street. Such driveway shall be constructed by the purchaser of Unit A within one (1) year from the date of purchase of Unit A.

Parking: This Unit has a garage that can accommodate five (5) automobiles.

b. Unit B. Unit B consists of one freehold estate consisting of a one-story spatial unit without basement. The spatial unit is an open area that is approximately 69 feet in length, 30 feet in width, and with a height of 25 feet. The unit contains approximately 2,070 square feet. The center location of the spatial unit will be identified through a tie in with the Government Survey Triangulation Station "WAIALAE", 17.76 North, 280.91 East, as shown within the "Spatial Unit B" on the Condominium Map. The land area surrounding Unit B as delineated and described in the Condominium Map is a limited common element for Unit B and is for the exclusive use of Unit B.

Parking: Parking for at least two (2) vehicles is available anywhere within the limited common element land area.

DESCRIPTION OF BOUNDARIES OF UNITS

Notwithstanding the floor areas set forth in Exhibit A and the manner in which such floor areas are measured, the boundary of each unit is the exterior finished surfaces of the units' perimeter frame, walls, roofs, foundations, windows and frames, doors, beams, and post, if any.

EXHIBIT B

DESCRIPTION OF COMMON ELEMENTS

The common elements of the Project to which the units have immediate access to include:

- a. The land in fee simple;
- b. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, and any improvements, equipment and drainage, hot and cold water and like utilities which services more than one unit and any easements for such utility services, if any;
- c. The common easements for drainage and all common or shared installations for underground utilities including electricity, water, telephone, and cable television which run upon or under the common easement, if any; and
- d. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

DESCRIPTION OF LIMITED COMMON ELEMENTS

The land area delineated and designated in the Condominium Map as limited common elements are limited common elements of a unit and consist of the following:

- a. Unit A. The land area surrounding and under Unit A is a limited common element of Unit A and is for the exclusive use of Unit A and consists of approximately 102,557 square feet;
- b. Unit B. The land area surrounding and under Unit B is a limited common element of Unit B and is for the exclusive use of Unit B and consists of approximately 68,721 square feet; and
- c. Any fences, walls, utility systems or lines, cesspools, septic system, septic tank and any improvements, equipment and leach fields or beds related thereto, which are located within the limited common land area and which services or benefits only one Unit shall be deemed a limited common element of such unit.

EXHIBIT C

DESCRIPTION OF ENCUMBRANCES

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Easement for road and utility purposes, in favor of the Board of Water Supply, as set forth in instrument dated March 3, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7584 at Page 240.
3. Grant in favor of the City and County of Honolulu dated May 20, 1971, recorded in said Bureau in Liber 7562 at Page 32, for an easement for water pipeline (20-ft. wide) over, under, across and through the easement area described therein.
4. Easement "A" for driveway purposes, being more particularly described in instrument dated October 13, 1986, recorded in said Bureau as Liber 19949 at Page 415.
5. Grant in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated, now known as Hawaiian Telcom, Inc. dated September 9, 1983, recorded in said Bureau in Liber 17349 at Page 544, for a perpetual right and easement for utility purposes.
6. The terms and provisions contained in the Agreement dated September 9, 1986, recorded in said Bureau in Liber 19853 Page 394.
7. Mortgage in favor of Bank of Hawaii, by instrument dated August 31, 1988, recorded in said Bureau in Liber 22311 at Page 614, as amended by instrument dated September 29, 1989, recorded in said Bureau in Liber 23738 at Page 582.
8. Grant in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated, now known as Hawaiian Telcom, Inc., dated February 10, 1989, recorded in said Bureau in Liber 22954 at Page 116, for a perpetual right and easement for utility purposes.
9. Mortgage in favor of Bank of Hawaii, by instrument dated July 13, 1995, recorded in said Bureau as Document No. 95-093115.
10. Grant in favor of Hawaiian Electric Company, Inc. and Hawaiian Telcom, Inc. dated February 12, 2008, recorded in said Bureau as Document No. 2008-024099, for a perpetual right and easement for utility purposes.

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Condominium Property Regime for “2500 Aha Aina Place” condominium project dated March 27, 2008, recorded in said Bureau as Document No. 2008-059747 and Condominium Map No. 4616, and any amendments thereto.
12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the By-Laws of the Association of Unit Owners dated March 27, 2008, recorded in said Bureau as Document No. 2008-059748.

EXHIBIT D

SUMMARY OF PURCHASE CONTRACT

1. Seller may terminate Sales Contract and refund to Buyer all money Buyer has paid without interest, if Seller determines that Buyer's ability to make payments or if the financial ability of Buyer has decreased at the time the credit report is updated.
2. Risk of loss to the unit and percentage interest in the common elements will be borne by Seller until the date of final closing at which time risk of loss will be borne by Buyer.
3. Seller reserves the right to modify the Declaration, By-Laws, House Rules, Escrow Agreement and Unit Deed, provided that these modifications do not increase the Buyer's share of common expenses, reduce the obligations of Seller for common expenses on unsold units, reduce the size of the units, increase the cost of the units, or impair or modify any obligations given or undertaken by Seller. Seller also reserves the right to make minor changes that may improve the unit.
4. Buyer may have the right to rescind the Sales Contract and obtain a refund of all money paid by Buyer without interest if there is any material change in the Condominium (other than any additions, deletions, modifications and reservations including, without limitation, the merger of increments accomplished pursuant to the terms of the Condominium Declaration) which directly, substantially, and adversely affects the use or value of the unit or the limited common elements appurtenant thereto.
5. In the event Buyer is in default for failure to perform Buyer's obligations under the Purchase Contract, Seller may terminate the Purchase Contract and (a) bring an action for damages for breach of contract, and (b) retain the initial deposit and all additional deposits provided for in the Purchase Contract. Buyer shall be responsible for any costs incurred in accordance with the Purchase Contract.
6. In the event Seller is in default for failure to perform Seller's obligations under the Purchase Contract, Buyer may (a) bring an action for damages for breach of contract, and (b) seek specific performance of the Purchase Contract. Seller shall be responsible for any costs incurred in accordance with the Purchase Contract.

EXHIBIT E

SUMMARY OF ESCROW AGREEMENT

Seller has entered into an Escrow Agreement dated March 27, 2008, with Title Guaranty Escrow Services, Inc. The Escrow Agreement sets up an arrangement under which the deposits which a Buyer makes under a Purchase Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement the following will or may happen:

(a) Seller will require all payments due to be made to Escrow.

(b) All money received by Escrow will be deposited in an interest-bearing account in a federally-insured bank or savings and loan institution. All interest earned in the account will be credited to the account of the Seller.

(c) If the Buyer under a reservation as an owner-occupant is not offered an unit or if the Buyer refuses to enter into a Purchase Contract, Escrow will promptly refund the deposit made by Buyer without interest. If Buyer enters into Purchase Contract but rescinds the Purchase Contract because of hardship or because the Buyer no longer intends to be an owner-occupant, Seller will cancel Purchase Contract and Escrow will promptly return all money to Buyer without interest and less the cancellation fee.

(d) Escrow will not disburse Buyer's funds until:

(1) Seller shall have delivered to the Buyer a true copy of the Developer's Public Report including all amendments, with effective date(s) issued by the Real Estate Commission and Escrow has received a copy of Buyer's receipt for the Developer's Public Report;

(2) Buyer has waived the right to cancel or shall be deemed to have waived the right to cancel in accordance with HRS §514B-86(c); and

(3) Seller has affirmed to Escrow that there has been no material change in the Project after the Contract became binding, or, in the event of a material change in the Project after the Contract became binding, the Seller has delivered to Buyer a description of such material change and buyer shall have waived the right to rescind or shall be deemed to have waived the right to rescind in accordance with HRS §514B-87(b).

(e) If Buyer is in default under the Purchase Contract, Escrow shall promptly notify Seller, and if Seller subsequently certifies in writing to Escrow that Seller has terminated the Purchase Contract in accordance with the terms thereof, Escrow shall thereafter treat all funds of the Buyer paid on account of such Purchase Contract as funds of Seller and not as funds of the Buyer.

(f) Escrow is relieved from all liability for acting in accordance with the terms of the Escrow Agreement.

(g) The compensation of Escrow shall be based on the scheduled rate, plus Hawaii general excise tax for each unit sold under a binding Purchase Contract and of which a deed has been fully recorded in the Bureau of Conveyances of the State of Hawaii; provided, however, that if Escrow shall for any reason without fault on its part to be required to change, subsequent to the commencement of pre-closings for the Project, any closing statement or document previously approved as to form and figures by the Seller, Seller agrees to pay an additional charge for each such statement or document which is changed.

EXHIBIT F

STATEMENT BY DEVELOPER REGARDING THE PRESENT CONDITION OF STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS AT 2500 AHA AINA PLACE

The undersigned, being the developer of the 2500 Aha Aina Place condominium project, and pursuant to HRS §514B-84(1)(A), hereby represents that the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the project are as described in the architect's report attached hereto as Exhibit 1 and incorporated herein by reference, and that the undersigned makes no representations as to the expected useful life of such structural components or mechanical or electrical installations.

Dated: Honolulu, Hawaii, May 6, 2008.


ARTHUR T. KAMISUGI

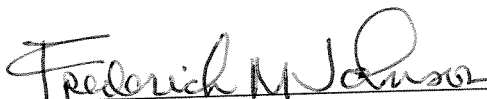

M. LIBBIE KAMISUGI

ARCHITECT'S CONDITION REPORT

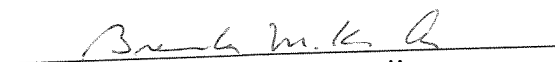
The undersigned, being a licensed architect within the State of Hawaii and bearing Registration Number 2757, has inspected the dwelling at the "2500 AHA AINA PLACE" condominium project situate at 2500 Aha aina Place, Honolulu, Hawaii 96821, and identified by Tax Map Key No. (1) 3-5-064-050. Unit A is a dwelling which was built in 1988 and may be occupied for residential use. Unit B is a spatial unit.

The inspection of Unit A included the visible exterior roof, visible foundation, visible electrical and plumbing systems, and I find that the systems and components of the structures, including visible structural, visible electrical and visible plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition. The structural and related systems and components have an expected useful life in excess of approximately 25 years.

This is not a warranty of compliance with all rules and regulations, only a warranty that inspection was made and no violations appear to exist. No right shall accrue to any third party for subsequent discovery of any problems with code compliance or for future changes in such code(s).

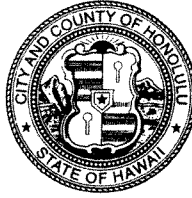

FREDERICK M. JOHNSON

Subscribed and sworn to before me this
3rd day of April, 2008.


Notary Public, State of Hawaii
BRENDA M. K. AU
Print or type name
My commission expires: MAY 17 2008

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
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MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2007/ELOG-1466(RLK)

July 30, 2007

James A. Stubenberg, Esq.
Stubenberg & Durrett LLP
Attorneys at Law
Davies Pacific Center
841 Bishop Street, #702
Honolulu, Hawaii 96813

Dear Mr. Stubenberg:

Subject: Condominium Conversion Project
2500 Aha Aina Place
Tax Map Key: 3-5-064: 050

This is in response to your letter dated May 21, 2007, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story single-family detached dwelling with ten (10) all-weather-surface off-street parking spaces and an accessory canopy met all applicable code requirements when they were constructed in 1988 and 1992, respectively, on this 171,275-square-foot R-7.5 Residential District zoned lot.

For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

No variances or other permits were granted to allow deviations from any applicable codes.

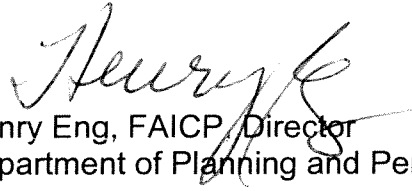
Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

EXHIBIT G

James A. Stubenberg, Esq.
Stubenberg & Durrett LLP
July 30, 2007
Page 2

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 768-8151.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Henry Eng", written in black ink.

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:dk
doc556097

EXHIBIT H

ESTIMATED MAINTENANCE FEES AND OPERATING EXPENSES OF ASSOCIATION (For Period May 1, 2008 to May 1, 2009) As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance	
Water/Sewer	\$ -0-
*Electricity:	-0-
**Fire/Liability Insurance:	-0-
Management Fee:	-0-
Miscellaneous	-0-
 TOTAL ANNUAL EXPENSES:	 \$ -0-

Estimated Monthly Expenses \$ -0-

Estimated Monthly Maintenance Fee
For Each Apartment \$ -0-

*All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

**Section 514B-143, Hawaii Revised Statutes, requires the Association of Unit Owners to purchase fire insurance to cover the improvements of the Project, and that the premiums for the insurance be common expenses. Developer anticipates that the Association will elect to permit individual Unit owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual Unit owners and not common expenses.

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.



ARTHUR T. KAMISUGI

“Developer”



M. LIBBIE KAMISUGI

“Developer”